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March 21, 2001 LB 461

SENATOR CUDABACK: None? Thank you. Next agenda item.

CLERK: Mr. President, LB 461, it's a bill by Senator Aguilar. (Read title.) Bill was introduced on January 10, referred to Natural Resources, advanced to General File. I do have committee amendments, Mr. President. (AM0998, Legislative Journal page 1064.)

SENATOR CUDABACK: Senator Aguilar, you're recognized to open on LB 461.

SENATOR AGUILAR: Thank you, Mr. President, members of the body. LB 461 is about emission fees. The purpose of the Emission Fee Program administered by the Department of Environmental Quality is to provide funding for the Air Operating Permit Program required by the federal Clean Air Act. When the Legislature first created the fee system in 1992, the program collected fees from major sources of air pollution up to a 4,000 tons per pollutant per year. Each spring, the department determines fees to be assessed on a dollar per ton of pollution basis. Factors such as emission trends, workload expectations, budget issues, consumer price index changes, availability of carryover funds from previous years are considered when establishing the fee rate. A large majority of the emissions monitored by this act come from electric generating plants. Costs are actually paid, of course, by electricity customers. There are five electric generating facilities we're talking about. Nebraska Public Power and Omaha Public Power are the two largest. Then there are three smaller facilities at Hastings, Grand Island, and Fremont. The two largest facilities are roughly ten times larger than the other three. The calculation method for emission fees, however, does not take this difference in size and electric generating capacity into account. The result is that the smaller plants pay a disproportionate share of the cost for the same services of permitting and monitoring that the larger ones pay. The handout on your desk shows how each calculation works out. Each consumer in NPPD territory pays about 90 cents to cover emissions fees. A consumer in OPD territory pays about \$1.88. A consumer in Grand Island pays \$5.08, and a consumer in Hastings pays \$5.99 to cover emissions fees. LB 461 proposes to place a permanent 400-ton cap on